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ABSTRACT

The lay board of trustees will have to change substantially and rapidly if it is to survive. In response to the many criticisms of the structure and selection procedures of college and university trustees, new patterns are beginning to emerge. Some colleges have taken steps toward a more "representative" selection of trustees. Responsible trusteeship requires deep involvement to appreciate the nature of the issues confronting the institution. By turning board meetings into educational experiences, and developing occassions for increasing the capacity of members, boards may be more productive. Policy issues should be discussed first; board agepdas should be structured to encourage rational analysis; and every question before the board should be subjected to the test of relevance. (Author/PG)

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The Lay Trustee—Up or Out?

Charles A. Nelson

The businessman sitting down to the quarterly meeting of the board of trustees of his college or university surveys a familiar prospect. His lawyer friends, his counterparts from the other corporate hierarchies, a banker, an M.D. or two – some of them customers, one or two to be sought out at the lunch break for a brief discussion on a pending matter of mutual interest... A comfortable scene, a picture out of the past. In serene contrast to the disquiet in every other quarter of the current educational domain, does the lay board of trustees represent stability, maturity and permanence? Or must the trustee also be transformed along with the student, the professor and the administrator?

My theme is that the lay board of trustees will have to change – substantially and rapidly – if it is to survive. The recognition of the need for change may arise from current outspoken criticism of the "ins" by the "outs." But whether criticized or free of attack, the old patterns have their weaknesses – and some of those weaknesses have contributed to the current "jeopardy of our private institutions" of which Alan Pifer speaks in his 1970 report to the Carnegie trustees.

In response to the many criticisms of the structure and selection procedures of the typical college or university board of trustees, new patterns are beginning to emerge. Some colleges have been taking steps toward a more "representative" selection of trustees. And younger members have been appointed. Some boards have systematically removed trustees with significant business or professional contractual relationships to the institution, the chief source of conflicts of interest. There is increasing adoption of the practice of limiting terms, which

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helps to weed out the inactive and senile and to make room for new faces.

Such corrective measures, if widely applied, will improve our boards and also soften reproach, but there are other more fundamental criticisms which are not so easily deflected. I refer to the charge that many trustees are not really qualified – they don't know enough about higher education in general or this institution in particular to be entrusted with the responsibility of governance. Most trustees, I suspect, have been all too willing to admit the shortcomings of their preparation and to accept virtually complete policy direction from the administrators, thus lending additional credence to the charge that they're really not competent to do their job. They have tended in many cases to define their role in such a limited way that it is hard to see how the institution would be damaged if the board were eliminated – except in those few cases where the board members themselves contribute a significant part of the income.

Many boards have limited themselves largely to a function of mere "validation."[1] The administration puts forward its proposals and the board puts on them its stamp of approval. (It is not uncommon for trustees to refer to themselves disparagingly as "rubber stamps.") If you could figure out some other way by which that validation process could take place, you could, the argument goes, eliminate the lay board. Many trustees have themselves unwittingly contributed to this notion. It is quite common to hear remarks along these lines – that the one important job of the trustee is to hire the president and then occasionally to take a look and see how he is doing. It is suggested that the board has thereby largely taken care of its responsibilities.

Perhaps it all started with President Isaiah Bowman of Johns Hopkins University who offered this advice upon his retirement:

> "Every time the board of trustees meets, the agenda paper should contain but two items. The first item ought always to be, 'Shall we fire the president today;' If the answer is 'yes,' then item two on the agenda paper should be, 'Who are to serve on the committee to select a new president?' The board should then adjourn. But if the decision on the first question is, 'We shall not fire the president today,' number two should be, 'What can we do to support the administration?' . . . Sink or swim, once you are committed to a choice, the administration must be supported."[2]

This has become the conventional wisdom. I want to challenge it. The notion of minimal involvement cannot withstand critical inspection; it can lead – it *has* led – to the most profound errors in the governance of our institutions. The board will not be competent to hire the right

man for the presidency if its role is limited to that function. It cannot possibly know enough about what the needs of that institution are, the nature of the problems that man will have to face, to be able to provide the right description of the man who might fill that post. In order to know whom to hire the board must know where the institution is and where it should be going. Unless the trustees are exceedingly well informed about the nature of the institution and its needs, understand its present problems, and have a profound conviction about the nature of the enterprises going on there, their judgment as to what sort of leadership that institution requires will undoubtedly be faulty. They will probably make the wrong choice.

Furthermore, the argument for the minimal trustee role hides a curiously unreal assessment of the chief executive. Is he in fact typically infallible in his judgments? Even the superior man – is he not in need of consultation with a balanced and objective body? Too many private universities are in deep trouble today because, under the leadership of "strong" presidents in the '50's '60's, they suffered from mistaken judgments about their future, incurring substantial debt in the process. They lacked the corrective judgments which an active, well-informed board of trustees should have supplied. These boards followed the conventional wisdom: pick an able chief executive and let him run the show. In retrospect, two observations can be made about these boards: they often picked the wrong man, and in the absence of a superb leader they did not provide the balanced objective corrective judgment which defines the trustee obligation.

Responsible trusteeship requires deep involvement in order to appreciate the nature of the issues confronting the institution. It also requires a liberal dose of courage to assert a contrary opinion in the face of administrative conviction and, probably, in the face of an abiding desire on the part of most of the other trustees not to rock the boat. Trustees fall short of their responsibilities with sufficient frequency that they lend considerable strength to the view that, because of their incompetence, they should be gotten rid of altogether.

If the reader concurs in the proposition that responsible trusteeship requires deep involvement in the fundamental issues facing the institution, we are still confronted with several unanswered questions. How can we develop trustees better educated to their responsibilities? And how can we improve the quality of trustee meetings?

What can be done to develop better trustees beyond exhorting them to review carefully the materials forwarded (hopefully) in advance of the board meeting, to accept a demanding committee assignment, to read regularly one or two significant higher education journals

and to attend an occasional course or seminar on trusteeship? I suggest that we might begin to think about the board meetings themselves as an educational experience, the agenda as a series of occasions for the development of an increased capacity of those around the table to confront the issues which they have to face. Following are four specific suggestions for improving trustee performance by improving the board meetings themselves.

First, let's get the big policy issues up to the front end of the agenda. We must make the best use of the brightest hours when trustees are at their freshest for those questions that require the most deliberation, the finest intelligence, the soundest judgment and the coolest heads. Let's not jeopardize the quality of the big decisions by delaying them until the decision makers are frayed, tired and ready to go home.

Second, board agendas should regularly include, at least once a year and perhaps more frequently, the full exploration of a major question prior to the time at which a decision is required. Here is where the educational possibilities of the board meetings themselves can be most fully exploited. Specifically, the president, anticipating that in a matter of six months or a year a major policy issue will have to be decided – an issue that does not have to be decided this week or this month – will ask the chairman of the board to provide an hour or two for a wide-ranging exploration of that issue, with the specific understanding on the part of those present that no decisions will be made. Let us suppose, for example, that a major review of the efficacy and the impact of the university's teacher education programs is underway. The president knows that in about six months or so he is going to receive a report of a faculty committee and shortly thereafter it is anticipated that a report will be received on the same subject from a visiting accreditation team. He anticipates that six or nine months from now a major issue is going to be confronting the institution as a result of these two reports. Internal controversy is reaching a peak. The president already has in his hands information which indicates that there is a sharp difference of opinion among the faculty and the deans as to what direction ought to be taken.

Typically, the president in such a case will take either of two courses of action. In the one instance he will suggest that the matter be referred to a committee of the board, probably a standing committee. He will then present the administration's case to the committee and subsequently the matter will come to the board for action accompanied by a committee recommendation. The president will count on his influence at the committee meetings, and the committee's influence at the board level in turn, to carry the day. In the less desirable case the matter will come directly to the board for decision; the president will represent that the

matter must be decided at once and he will perhaps not reveal many of the pros and cons for fear that the board will hesitate to follow his recommendation. He may even imply that anything less than a unanimous decision would be the equivalent of a vote of no confidence in the administration.

The proposed approach, I suggest, can contribute to more rational deliberation, a step which can thus contribute to the education of the trustees and hence to the quality of their decisions. The preliminary discussion could even take the form, for example, of a presentation of contrary views on the matter by spokesmen from inside or outside the institution, so that the issues that are going to come before the board at a later time begin to take shape in the mind of the trustee. This exploration will not only make it possible for him later to make a better decision when that issue arises but also it will enable him to ask certain questions or ask for certain information which it will be too late to request when the matter is on the agenda for decision (because typically when the matter is on the agenda for decision a postponement of that decision carries with it certain severe penalties – perhaps the loss of a top candidate for a new position or missing a deadline for a grant application). Such an occasion would require of the administration an explicit rational preparation for a later decision. It would thus tend to improve the quality of the ultimate administrative recommendation. It would avoid taking the trustees by surprise when the day of decision comes. It would provide additional questions for consideration by the appropriate board committee. But more important – if this were done regularly, perhaps as frequently as two or three times a year – the decision-making capability of the trustees as a body would grow. It would grow appreciably and exponentially as knowledge of one problem provided the added capability to perceive the complexities of the next. Paradoxically, it is precisely because trustees don't usually have such depth of understanding that administrators are not willing to encourage full and open discussion. I am suggesting that the administrator, as educator, perceive the trustees' meetings as stages in an educational process and that he calculatedly increase his short-term risks in order that his institution may benefit long-term from an educated board.

A third suggestion for the revision of our agendas is that when we do arrive at the major policy questions, they be structured so as to permit and to encourage the kind of rational analysis which a good trustee would like to make. In particular, alternative solutions to problems should be available for consideration by the trustees. There are very few problems for which there is but one solution. It is helpful to the trustees and a helpful exercise for the administration as well if in advance of that meeting those alternatives have been looked at very carefully.

Having stated the alternatives, and discussed the pros and cons, of course we expect the chief executive to say which of these he prefers and why he thinks it is the best solution. His posture, then, is very different from the all too common one, which is to say in effect: "this is what I intend to do, and I want you to support me." If instead he has said that there are several possible ways to go about this; if he explains the pros and cons and adds them up; if he looks at the consequences, and then says, "On balance, it seems to me that all things considered we should go in this direction," then it's not so difficult for a board member to say: "Have you considered this other alternative?" Or if the trustee comes up with some new insight or some new balancing factor, it won't be so difficult for the administrator to accept because it will be a part of the discourse which has already been going on, a part of the process of weighing alternatives. It will be recognized that deliberations can be conducted in such a way that an administrative recommendation can be changed without the chief executive losing face. If a way can thus be found for trustees to affect significantly and constructively the major policy questions without weakening the executive, we have a key to some very successful trustee behavior.

My fourth suggestion is that every question to come before the board should be subjected to a harsh test of relevance. This test should be administered by the chairman of the board as he sits down with the president to review the agenda. Is the item a matter of routine validation (ratification of minor actions already taken by the executive committee; approval of actions taken by the faculty in areas ceded to them by previous board action; condolences to the family of a recently deceased trustee, etc.)? If so, pre-package the necessary resolutions and arrange for their speedy adoption. Is the matter a question of basic policy relating to the fundamental objectives of the institution? If so, see that it is presented with the most careful explication of its importance and that it obtains the balanced consideration to which we have previously alluded. Is the matter one which falls into neither of the above categories? If so, strike it off the list; it is probably something that should be left to the administration. We foster only bad habits -- plus inattention to more important matters -- by bringing administrative matters before the policy makers.

The art of trusteeship consists largely of discovering and holding the middle ground of policy-making, eschewing with equal vigor the posture of mere validation on the one hand and the usurpation of of administrative authority on the other. The pervasive unease and vague dissatisfaction one finds in most governing boards, private and public, stem from a feeling on the part of trustees that they can't find a sensible ground between these two extremes. The usual agenda of a board meeting calls for action on

matters concerning which the typical trustee feels either that he doesn't have the competence to judge or he hasn't had enough time to consider or he hasn't been given sufficient information. He feels trapped; he has no choice except to assent. This predicament makes him wonder how useful it is to spend his time this way. On the other hand, when he begins to ask questions about matters that are presented to the board for approval he can tip so easily in the other direction – that is, he begins asking questions like: why does Professor Jones get $25,600 when Professor Smith gets $24,300? Even while he's asking that question he is uneasily aware that it probably isn't the kind of question he ought to be asking. What indeed are the kinds of issues that can be presented for policy decision that provide for board members a significant role in policy making and that do not involve them either in administrative meddling or mere rubber stamping?

Such issues are related in particular to the very basic objectives of the organization itself. Trustees should be dealing most of the time, I believe, with fundamental policy questions: With respect to this particular college, whom should it serve? How large should its student body be? Should it expand its offerings to include a master's program in physics or a doctorate in education? And how would such a decision affect the allocation of resources to existing programs? Some will argue that such decisions should be left to the professionals, or at the most that the trustees should rubber stamp these decisions. But it seems to me that trustee responsibility – including full participation in decision making – is inescapable, for two reasons. *First*, the crises we are facing in education are of a magnitude requiring judgments that go well beyond the special field of competence of the faculty and the administration. *Second*, major program decisions clearly have major impacts on the allocation of resources. The annual budget is the chief instrument of resource allocation, and it is generally agreed that budget review is a major trustee function. It follows then that if budget review is to be itself a significant act of discriminating judgment the trustees must be fully involved in the deliberations on major program decisions. When new demands on our institutions cause them to undertake new commitments, which in turn require added resources, these requirements are reflected in the budget – or if, alas, not in the budget, then in the unexpected operating results which follow. It is most often the trustees who must press for a satisfactory answer to the question: where are we going to get the added resources to meet these new commitments? and if added resources are not available, what are we going to eliminate from our existing programs so as to free the resources to support the new venture? The repeated large deficits currently incurred by many of our private institutions, bringing many of them to the brink of ruin,

are a clear sign that trustees have not been insistent enough in asking these questions. They are also a clear sign that the professionals, left to themselves, do not always come up with the answers. But the trustee obligation is inescapable; they can – indeed they are obliged to – replace the administration if found incapable. That relieves the administrator of his obligation, but the obligation of the trustee remains. Trustees today should be – and many hopefully are – asking themselves this question: in a time of stringency, can a trustee responsibly commit the capital assets of the institution to meeting large repeated annual operating deficits?

I don't mean to imply that the president will *necessarily* be at odds with the trustees on difficult questions of this kind. The perceptive administrator understands and shares the obligations of trusteeship. He proposes the best solutions he can devise and thus does his part to help the trustees reach their decisions. But understandably many administrators are under great internal pressures and sometimes they succumb to the temptation to support everything, existing and proposed, when they know that the resources are not adequate to sustain them. At such a time the trustees alone stand between the institution and disaster. If they act knowledgeably and courageously they are the best friend of the president as well as of the institution.

To present a balanced picture we must also bear fully in mind the damage trustees can do when they act out of ignorance or lack of respect for the purposes of the institutions they serve. It is obvious that there is no room on a college board of trustees for a man or woman who does not care intensely about education. But caring is not enough. Knowledge and sophistication are essential. The best route to knowledge and sophistication is through a close association with the faculty and the academic deans and department heads. Trustee committee work with faculty of the university – as well as with the administrative group – is essential.

Little good can be accomplished in a college or university without the full cooperation of the faculty. There is a temptation on the part of the businessman trustee to disdain the lack of business sense of the "academic." He must be watchful that he does not permit his own prejudices to stand in the way of gaining an understanding of how these teachers and researchers think and what are the ingredients of their professional commitments. He will come to realize that the only way anything can be accomplished in the university is through them. No trustee fiats that invade their professional practices will work. The task, then, is to develop a common understanding of the objectives to be achieved, to put that understanding into a planning framework in which trustees, administrators and faculty can each play a significant role, and thus to liberate the energies of the faculty for the carrying out

of their work through a program in which their efforts produce maximum results and the other resources of the institution are optimally allocated to that end.

Whether there is a place for the lay board of trustees depends upon how it behaves. Does it bring to its deliberations a breadth of understanding and an objective judgment which frequently transcends the special concerns and interests of the administration or faculty? Does it convey to the society at large through its actions its profound respect for the professional commitments of the institution's personnel – even when it differs with them on matters of policy? Does it persistently raise questions about the validity of established programs which are likely to be taken for granted by faculty and administration? Does it finally allocate the resources of the institution with a respect for the old, a curiosity about the new and a firm conviction that the worst solution when stringencies are severe is to support everything just a little? Does it look at every new program and every old program alike with the same question: what does it contribute to the fulfillment of the goals of this institution? If the answer to these questions is affirmative with any frequency, the lay board is not merely tolerable. It is absolutely indispensable.

References

[1]See J. L. Zwingle's perceptive essay, "The Lay Governing Board," in *Perspectives on Campus Tensions*, David C. Nichols, ed., American Council on Education, Washington, 1970.

[2]Quoted in "College Trusteeship 1969" by Myron F. Wicke in *The Trustee: A Key to Progress in the Small College*, Council for the Advancement of Small Colleges, Washington, 1969.